

MASSACHUSETTS

Public Employee Retirement Administration Commission

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M E M O R A N D U M

TO: All Retirement Boards

FROM: Joseph E. Connarton, Executive Director

RE: Instructions for Electronic Submission of Pooled Fund Information

DATE: August 29, 2000

I am pleased to inform you of a new service now available through PERAC's Home Page. As you know, an integral part of the PERAC Annual Report is the assessment of the investment performance of the retirement boards. During the year we rely on the boards to provide us with the information necessary to calculate performance. In order to facilitate the timely transmittal of the data, we have established an interface on our web site to enable boards to electronically transmit pooled fund information. First, log on to the PERAC Web Site and select PERAC Units/Investment Unit/Pooled Fund Form. In addition to the form, you will find instructions about how to complete the form and accounting information as well.

To complete the form:

- Click on the drop down arrow to select your board's name. Please note that the menu defaults to the name of the first board in the list. Remember to select your board's name.
- Click on the drop down arrow to select the pooled fund name. Please note that the menu defaults to the name of the first fund in the list. Remember to select the appropriate fund's name. In the event that the pooled fund is not included in the list, you will be unable to submit the information electronically and must complete the form manually.
- Click on the drop down arrow to select who completed the form (retirement board, manager, or consultant).

MEMORANDUM – Page Two

TO: All Retirement Boards
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- Choose whether a monthly or a quarterly statement will be filed and select the appropriate month.
- Insert the market value at the beginning of period. This amount should be the ending value of the previous period. An amount **must** be entered in this field even if it is zero. The system will input the commas and the periods in the figures.
- If there is a purchase(s) in the statement period, click on the appropriate month and enter the amount of purchase(s). Please refer to the attached accounting instructions (1).
- Enter changes due to income. Please refer to the attached accounting instructions (2).
- Enter management fees. Please refer to the attached accounting instructions (3).
- If there is a sale(s) in the statement period, click on the appropriate month and enter the amount of sale(s). Please refer to the attached accounting instructions (4).
- If there is a stock distribution in the statement period, please refer to the attached accounting instructions (5).
- Insert the market value at the end of the period. An amount **must** be entered in this field even if it is zero. The system will input the commas and the periods in the figures.
- When form is complete, click on “Send” to submit to PERAC.

If you have questions about the Pooled Fund Worksheet, please contact Victoria Marcorelle, PERAC’s Senior Investment Analyst at (617) 666-4446, extension 928. You may also e-mail Ms. Marcorelle at Victoria.M.Marcorelle@state.ma.us.

POOLED ACCOUNTING INSTRUCTIONS (8/00)

The accounting entries that are listed below correspond to the numbers on the worksheet.

- 1) To record a purchase, make the following cash book entry:

Debit: Pooled Fund (use appropriate ledger)
Credit: Cash

- 2) To record income as a result of investment income, realized or unrealized gains make the following journal entry:

Debit: Pooled Fund (use appropriate ledger)
Credit: Investment Income (ledger 4821)
Credit: Realized Gain (ledger 4884)

Credit: Unrealized Gain (ledger 4886)

If there are operating losses, realized or unrealized losses make the following journal entry:

Debit: Investment Income (ledger 4821)
Debit: Realized Loss (ledger 4885)
Debit: Unrealized Loss (ledger 4887)
Credit: Pooled Fund (use appropriate ledger)

- 3) To record management fees* paid from the fund make the following journal entry:

Debit: Management Fees (Ledger 5304)
Credit: Pooled Fund (use appropriate ledger)

- 4) To record a sale (in the amount of cash distributed to the system) make the following cash book entry:

Debit: Cash
Credit: Pooled Fund (use appropriate ledger)

- 5) To record a stock distribution (in the amount of the market value assigned to the stock distributed) make the following journal entry:

Debit: Equities (ledger 1170)
Credit: Pooled Fund (use appropriate ledger)

*If the fee is paid from retirement system cash and not from the pooled fund, a cash book entry would be made on the disbursements page debiting management fees Ledger (5304) and crediting cash.